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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

18 | In re RIPPLE LABS INC. LITIGATION,

Case No. 18-cv-06753-PJH

20 This Document Relates To:
All Actions

**DECLARATION OF MAXWELL V. PRITT
IN SUPPORT OF DEFENDANTS' REPLY
BRIEF**

Date: August 26, 2020
Time: 9:00 a.m.
Place: Courtroom 3
Judge: Hon. Phyllis J. Hanan

Consolidated First Amended Complaint filed:
March 25, 2020

[FILED CONCURRENTLY WITH
DEFENDANTS' REPLY IN SUPPORT OF
MOTION TO DISMISS]

1 **DECLARATION OF MAXWELL V. PRITT**

2 I, Maxwell V. Pritt, declare and state as follows:

3 1. I am a partner with the law firm Boies Schiller Flexner LLP, counsel of record for
4 defendants Ripple Labs Inc. (“Ripple”), XRP II LLC, and Bradley Garlinghouse. I am a member in good
5 standing of the Bar of the State of California, and I am admitted to practice before this Court. I have
6 personal knowledge of the matters in this declaration, and if called on to do so, I would testify competently
7 to them.

8 2. Plaintiff’s Consolidated First Amended Complaint (“FAC”) cites to and quotes from an
9 interview that Mr. Garlinghouse gave with BNN. FAC ¶ 41 & n.21. The hyperlink to which Plaintiff
10 cites in the FAC contains only a clip of the interview with Mr. Garlinghouse, and that clip does not contain
11 the portion of the interview that Plaintiff quotes in his FAC. *Id.* The full interview, including the quoted
12 portion, can be viewed at <https://www.bnbbloomberg.ca/technology/video/cryptocurrencies-xrp-ethereum-and-litecoin-soar-to-record-highs-after-bitcoin-s-rise~1284604>. A true and correct video copy
13 of the interview with Mr. Garlinghouse is being provided to the Court on a DVD as **Exhibit A** to this
14 Declaration.

16 3. Plaintiff’s FAC cites to and quotes from a tweet posted by Ripple on May 3, 2017 at 3:54
17 PM. FAC ¶ 67 & n.26. This tweet links to a Nasdaq article, published by Bitcoin Magazine on May 2,
18 2017 at 2:25 AM EDT, available at <https://www.nasdaq.com/articles/altcoins-steal-the-spotlight-as-bitcoin-reaches-new-highs-2017-05-02>. A true and correct copy of this article is attached as **Exhibit B** to
20 this Declaration.

21 I declare under penalty of perjury under the laws of the United States of America that the foregoing
22 statements are true and correct. Executed on July 29, 2020, in Kentfield, California.

23
24 */s/ Maxwell V. Pritt*
25 Maxwell V. Pritt
26
27
28

EXHIBIT A

[Placeholder - Multimedia Exhibit]

EXHIBIT B

 [nasdaq.com/articles/altcoins-steal-the-spotlight-as-bitcoin-reaches-new-highs-2017-05-02](https://www.nasdaq.com/articles/altcoins-steal-the-spotlight-as-bitcoin-reaches-new-highs-2017-05-02)

Publisher Bitcoin Magazine



Bitcoin, the world's leading digital currency, has started the new month by surpassing \$1,500 per coin to reach a new all-time high. Bitcoin managed to keep its positive momentum after rallying in April to peak at \$1,441.39 following the news that Japan has officially recognized bitcoin as a legal payment method and that Russia's lawmakers are planning to do the same.

However, the tremendous rally in altcoins has also really stood out in the past few weeks.

Ether

The second largest digital currency, Ethereum's ether, has also hit a new all-time high in the past week as it surpassed the \$80 mark. Only two months prior, ether was trading at around \$15 per token. The wave of positive news surrounding the testing and future adoption of the Ethereum blockchain by commercial industries, combined with a wide range of new crypto projects built on the top of the Ethereum blockchain that have been fundraising through initial coin offerings, have given the currency a massive boost in recent weeks.

Ripple

Like Ethereum, the Ripple network is experiencing adoption by a large number of financial institutions to process domestic and cross-border payments. This, in turn, has sparked interest in Ripple's digital currency, which has had an impressive rally in the last two months, increasing from

\$0.0054 on March 1 to \$0.054 on May 1, peaking at \$0.0714 on April 2.

Litecoin

Litecoin, which has traditionally been considered the digital "silver" to bitcoin's "gold," has experienced an impressive rally since talks of SegWit implementation started. In the last 30 days, the price of Litecoin increased from \$6.74 to surpass the \$15 mark on April 25.

Charlie Lee, the inventor of Litecoin and director of engineering at Coinbase, has been an outspoken supporter of SegWit implementation for "his" altcoin and managed to convince the majority of litecoin miners to follow suit. Litecoin reached the SegWit activation signaling threshold of 75 percent on April 26, and the changes to the network will take effect within the next two weeks.

Anonymity-Focused Altcoins

With new ways of identifying bitcoin users having been made public, and the call for more bitcoin regulation coming out of regions such as the European Union, anonymity-focused digital currencies are seeing a surge in demand.

Leading these digital currencies, DASH, Monero, Zcash and the relatively new PIVX have all rallied substantially in the last two months.

From March 1 to May 1, DASH rallied from \$33 to hit its all-time high of \$117.78 on March 18, according to CoinMarketCap. Currently, DASH is trading at around \$87.

Monero (XMR) also gained in value, rallying from around \$13 to reach its all-time high of \$25.99 on March 17. Now Monero is trading in the \$22-\$23 range.

Zcash (XEC) also managed to reemerge after a quiet period within its community following its high-profile ICO, rallying from \$40 to surpass the \$100 mark on May 1. Now Zcash is trading at around \$93.

The newest member of the privacy-centered digital currency club, PIVX , rallied from \$0.045 on March 1 to surpass the \$2 mark, peaking at \$2.11 on April 16. The new community-focused currency is currently trading at around \$1.60, and its market capitalization is coming close to that of Zcash.

Learn more about altcoins in *What is an Altcoin?*

Proceed With Caution

Interestingly, all of the 15 largest altcoins in terms of market capitalization have rallied in the month of April, indicating strong investor interest in bitcoin's alternatives. This can also be seen when looking at the drop in bitcoin's market share of the global digital currency market.

On April 30, the Bitcoin Dominance Index dropped below 60 percent for the first time ever, suggesting that investor interest in altcoins is growing and that the size of the altcoin market may soon outgrow the market capitalization of bitcoin.

The surge in demand for altcoins and the increase of their market share can be attributed to investors' desire to earn higher returns by investing in less mature digital currencies, which have the potential to generate better returns than bitcoin, as well as the increase in ICO activities that have been catching the attention of yield-hungry investors.

While the impressive rally in altcoins is drawing more investor attention toward bitcoin's alternatives, it is important to note that they are also substantially riskier investments than bitcoin - after all, these altcoins are largely untested and relatively unstable - and that their prices can often drop faster than they rallied. Generally speaking, when an asset class spikes at a very fast pace within a short period of time, a correction is just around the corner. Something to be mindful of when making your next altcoin investment in the current market climate.

The views and opinions expressed herein are the views and opinions of the author and do not necessarily reflect those of Nasdaq, Inc.

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